

NOVA SCOTIA
LEGISLATIVE LIBRARY



PROVINCE HOUSE

7733

1382 305

STATEMENT, &C.

International Coal and Railway Company.

OF

NOVA SCOTIA.

NS

622.33

I

IONAL

ay Company,

SCOTIA.

ED, 1864.

000 DOLLARS.

\$50 EACH.

ERS.

GN, President.

EN, Vice-President.

, Treasurer.

AY, Secretary.

OPS.

GEN. JOHN A. DIX.

WILSON G. HUNT,

PETER C. VAN SCHAICK,

REV. HUGH McLEOD, D.D.

MILLER,

VE STREET.

RK :

AND JOB PRINTER,
STREET.

Y.CO.



THE
INTERNATIONAL
Coal and Railway Company,

OF NOVA SCOTIA.

INCORPORATED, 1864.

CAPITAL - 1,000,000 DOLLARS.

20,000 SHARES, \$50 EACH.

Officers.

A. C. MORTON, President.
WILLIAM A. HADDEN, Vice-President.
HENRY DAY, Treasurer.
ALFRED MACKAY, Secretary.

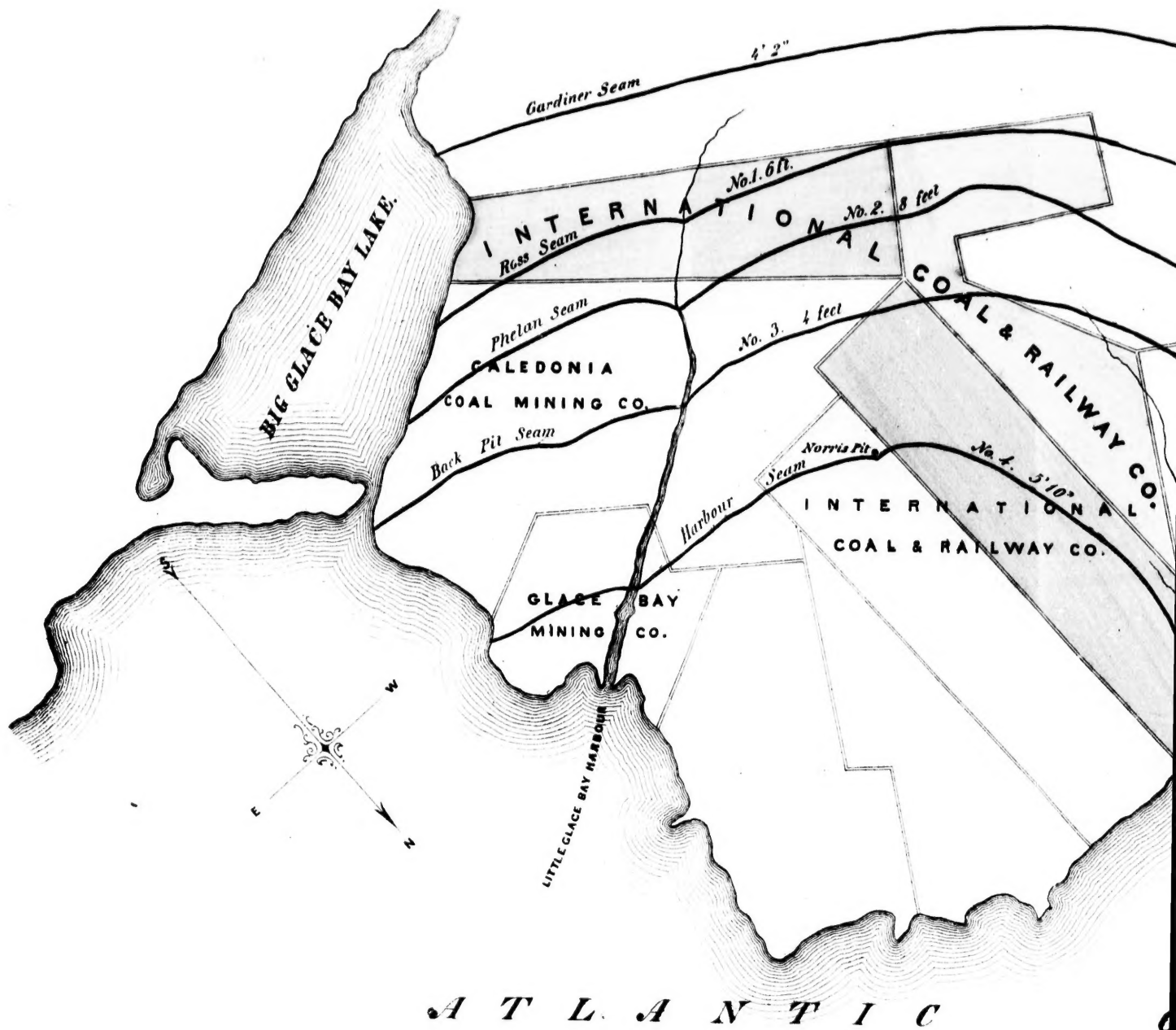
Directors.

A. C. MORTON,	GEN. JOHN A. DIX.
WILLIAM A. HADDEN,	WILSON G. HUNT,
GEORGE T. ADEE,	PETER C. VAN SCHAICK,
HENRY DAY,	REV. HUGH McLEOD, D.D.
WILLIAM P. MILLER,	

OFFICE, 35 PINE STREET.

NEW YORK :
HENRY TOMPKINS, BOOK AND JOB PRINTER,
No. 60 WILLIAM STREET.

1867.



A T L A N T I C

MINING AREAS
AND COAL SEAMS

OF THE INTERNATIONAL COAL & RAILWAY CO.
CAPE BRETON.
NOVA SCOTIA.

INTERNATIONAL
COAL & RAILWAY CO.
No. 1. 5' 10" N
T I O N A L
L W A Y C O .

GENERAL
MINING ASSOC

LINGAN BASIN

O C E A N

2551

THE
International Coal and Railway Company,
OF NOVA SCOTIA.

CHARTER AND ORGANIZATION.

THIS Company was incorporated under the laws of Nova Scotia with a capital of one million of dollars. The charter granted by the Provincial Parliament is comprehensive and liberal in all its provisions, giving the Company authority to hold and work coal mines, to build and operate railroads, to hold wharves and piers, and for transacting all business connected therewith. Annexed will be found the charter and all acts amending the same. (See appendix A.)

PROPERTY OF THE COMPANY.

The property of the Company is situated in the Island of Cape Breton, Nova Scotia, and consists of coal mines, and timber, and improved lands. The coal areas are situated on the sea coast, a distance of from twelve to fourteen miles easterly of Sydney Harbor, and embrace four square miles of territory in one body. These coal areas are held under leases direct from the Government, extending to a period of sixty years (see act of Provincial Parliament May 7, 1866). The royalty to be paid the Government is ten cents per ton for all coal shipped not exceeding two hundred and fifty thousand tons per an-

num, and on all coal over and above this amount five cents per ton. Upon these coal areas there are five workable seams of coal, which underlie nearly the whole property; one of these coal seams was worked for several years before this Company came into possession of the property, and since that period these workings have been extended and improved.

A new double-track railway has been laid the whole length of the incline, with friction rollers, platforms, wire rope, &c., for raising coal from the mine.

New pit wagons have been constructed, of improved form and efficiency, the tracks and gangways of the mine have been improved, and the whole interior workings put in a condition for enlarged and efficient mining operations.

An engine house has been constructed at the head of the incline, and a new steam engine erected, by which coal is rapidly and economically raised to the surface.

At the present time, the mining of coal is carried forward by two levels, one of which is directly connected by a passage-way opened to the sea-shore, through which the water of the mine is conducted to the ocean. The other level is fourteen feet below the one above mentioned, and the water which collects on this level is pumped up to the upper level, and thence it finds its way to the ocean through the above mentioned passage, by natural drainage. The water of the mine is so limited in amount that heretofore there has been no difficulty, under the favorable condition of the workings, in freeing the mine of water by the labor of one man, with an ordinary hand-pump. But ample and effective provision has been made to meet any emergency from the rapid or unexpected increase of water in the mine.

An air passage is also opened from the interior workings of the mine to the beach, which, in connection with the opening down the incline, creates a current of air which effectually ventilates the whole mine.

This coal seam lies between two beds of rock, uniform and regular in structure, giving a remarkably smooth and safe roof and floor for the mine. The entrance to the workings is only a few yards from the sea shore at the mouth of Cadigan's Brook, where there is a small wharf which is connected with the mine by a railway track.

Buildings of sufficient size and number have been erected for the accommodation of the present force of miners, and for shopwork and store and storage purposes. It is contemplated to add to these buildings on the commencement of new works.

The lands of the Company consist of one hundred and fifty acres at the mine, one half of which is under cultivation, and eighty-three and three-quarter acres at the terminus at Sydney Harbor, which is also under cultivation. The balance, over two thousand acres, are wild and timber lands situated on Mira River, a navigable stream about twenty miles distant from the mine.

COAL SEAMS AND AMOUNT OF COAL.

It will be observed, by reference to the accompanying map, that this great coal area is of an irregular L shape, the northern extremity of which abuts on the sea coast at Bridgeport, and the south-western limit rests on the interior waters of Great Glace Bay.

The distance from one extremity to the other, measuring near the southern and western boundary of the property, is five miles. The interior portions of the grounds

are considerably elevated—the highest part being between two and three hundred feet above tide.

The lines of outcrop of the several coal seams sweep around on this great coal property in bold curves, which are prolonged by in part conforming to the general outlines of the property.

The several coal seams are designated on the map by numbers, the most westerly seam being No. 1, which is known as the Ross seam. This seam is from five and a half to six feet thick, and has a length of outcrop on this property of thirteen thousand feet, and contains over twenty millions (20,212,476) tons of coal. The Phelan seam (No. 2) is from eight to eight and a half feet thick, has a length of outcrop of nine thousand feet, and contains twenty-four and a half millions of tons. Back Pit seam (No. 3) is four feet thick, has an outcrop of nearly one mile in length on this property, and contains almost twelve millions (11,851,404) tons, and the Harbor seam (No. 4), which is now being worked, is nearly six feet thick, and has a length of outcrop of two and a half miles on this property, and it contains eight and a half millions of tons of coal. The latter has a curve of water level gangway of about two miles in length, and the Ross seam has nearly a straight gangway water level of over two miles, with an average breasting of coal up the dip to the surface of from nine hundred to twelve hundred feet.

The total quantity of coal on this property, computed by scientific and practical men from data obtained by the most elaborate surveys of the field, is sixty-five millions of tons. This does not include the coal of two or three other seams, part of which is of recent discovery, which underlie the coal area of this company, which altogether

will add several millions of tons of coal to the above mentioned amount.

No part of this great body of coal is under the sea. A peculiar feature of this property is its superior elevation above the sea and the large amount of coal it contains above tide level. This, by careful computation, exceeds nine millions of tons.

No other coal property of this part of the coal field of Cape Breton possesses in an equal degree this peculiar feature.

For further interesting and scientific details in reference to the characteristics of this coal property, the position, amount and quality of the coal, reference is made to the appendix (B and C), containing extracts from an elaborate report of Professors J. P. LESLEY and S. B. LYMAN, and the analysis of the coal by the Manhattan Gas Light Company, New York. These gentlemen have spent much time in surveying and examining this coal field; their scientific acquirements are of the highest order, and the Provincial Government, and the public, are indebted to them for a mass of valuable information and scientific data, the result of their thorough and able investigation of this portion of the coal field of Cape Breton.

SHIPPING FACILITIES.

The shipments of coal from the present wharf of the Company at the mine have varied from ten thousand to ^{twenty} ~~sixteen~~ thousand tons per annum, but shipments from this place must necessarily be limited and irregular, owing to the exposed coast and the want of harbor accommodations.

It has been the policy of this Company, from the beginning, to avoid all expenditures for artificial harbors,

for the reason that the construction of such harbors is, as a general rule, attended with much expense, and often fail to accomplish desired results. In order to give the requisite facilities for shipping an unlimited amount of coal it becomes necessary to connect the mines by railway with a large and commodious harbor.

Sydney Harbor is one of the best harbors on the coast of Nova Scotia. It is easy of entrance, and unsurpassed as regards its holding grounds and the safety and extent of the accommodations it affords to shipping.

Its proximity to the great body of the coal of this district, the favorable character of the country in that direction for the construction of a railway, early led to its adoption as the best shipping port for these mines.

PROPOSED RAILWAY.

The survey and final location of the railway show that Sydney Harbor is reached by a favorable line, and gradients, in a distance of twelve miles from the present workings of this Company, and from a central point of this coal field, in a distance of fourteen miles. The ground at the latter point is one hundred and fourteen feet above the wharf at Sydney, and the proposed railway will be either level or descending in the direction of Sydney Harbor, the larger portion of the distance there being but few slight undulations of the gradients. This is a feature which has an important and favorable bearing on the cost of transportation. The location of the road has been made with a view to accommodate the largest number of coal areas and mines contiguous to the line; and this is accomplished without materially deviating from the most direct course to a central point in this coal

district, and at the same time the gradients are of a highly favorable character.

It is proposed to build twelve miles of road at first, which perfects the communication between Sydney Harbor and the present workings on the easterly portion of the coal area of this Company.

This road can be built in one year, and, whenever it is deemed desirable, the railway may be extended to other portions of the coal areas of this Company. In doing which, it will pass in the immediate vicinity of the mines or coal areas of other companies.

To provide additional means for the further development of the mine, and the construction of the railway, it is proposed to issue mortgage bonds to the amount of one hundred and twenty-five thousand pounds sterling. The bonds to be sterling bonds, bearing six per cent. interest, payable semi-annually in London, to run twenty years, the payment of the principal and interest to be secured by a first mortgage on the mines, mining property, railway and its equipment, and on the wharves and piers of the Company. (See appendix D.)

A sinking fund is to be created by setting aside annually such a portion of the earnings of the road as will produce a sufficient sum, at the end of twenty years, to redeem the bonds.

The security upon which these bonds are based is extraordinary in amount, and undoubted in character and intrinsic value.

The mortgage covers the railway, the rolling stock and fixtures, the mining and railway lands, and the coal and mining property of the Company, including improvements and expenditures already made, and the large amount to be hereafter made for new works, tracks, machinery,

buildings, &c., &c. Also the coal property of the Company, which embraces an area of four square miles, containing an aggregate of over sixty-five millions of tons of coal. These coal seams are so situated as to permit them to be worked by four independent mining companies if this is deemed expedient, and the amount of coal in this area alone is sufficient to keep the railway constantly and fully employed for many years beyond the period at which the bonds mature. It is the intention to extend the workings to all the coal seams of this area, either by the direct operations of this Company, or in part through contracts with other companies or firms for working them. But beyond this is the revenue to be derived from the transportation of coal from other mines over the railway of this Company. At a moderate charge this will, it is believed, produce a large income, which, according to the experience of similar works, will be increased from year to year.

On the line of the proposed railway, when completed, or in its vicinity, there are probably two hundred millions tons of coal, the larger portion of which will be furnished with the cheapest and most expeditious means of transportation to one of the best harbors on this coast.

The railway for several miles will pass over successive beds of the most superior bituminous coal.

The coal fields of Nova Scotia are the natural source of supply for all the Atlantic sea-board cities of the United States, and for Canada and other British North-American Provinces.

This coal is of a superior quality for gas to any in the United States. For steam and domestic purposes it ranks high, and is considered equal to any coal that reaches that market. Situated as it is, immediately on the sea-coast,

it can be delivered directly to the consumer, by the cheapest possible mode of transportation—by vessels plying directly between the coal fields and the market—thus avoiding changes involving injury to the coal and expense of handling. These are considerations which give this coal decidedly the advantage, if not the virtual control of the bituminous coal market of the chief cities of the Union.

The position of the principal coal fields of the United States, and the expense of transporting the coal to the Atlantic sea-board markets, are facts which strongly sustain this conclusion. The principal gas-producing coals of the United States are situated west of the Alleghany Mountains, and to reach the sea-board cities and manufacturing towns of the Eastern States, it is transported over three hundred miles by railway to tide-water; crossing the mountains at an elevation of two thousand feet above tide, and is thence trans-shipped to coasting vessels, and by them transported to the cities or towns along the coast.

All coal mined in the United States is subject to an Internal Revenue tax of 3 1-2 cents per ton.

Contrasting the Nova Scotia coal and its advantages of position and quality; the facilities of transporting and delivering it to the great market of the United States; the cheap labor and materials of Nova Scotia—contrasting these with American gas coal, and its disadvantages of position in reference to the sea-board market; its expensive transportation, the high price of labor, of forage, of machinery, implements, and every description of materials required for, and entering into the business of mining and transporting coal to market, and it is believed that there need be no apprehension as to the ability of Nova Scotia

coal to compete successfully with American coal in the markets of the sea-board States. It is proper to state that arrangements are in progress for the introduction and use of English steam vessels in the Nova Scotia coal trade, which will insure greatly increased economy of transportation, and greater regularity and celerity in the delivery of this coal in market.

The vessels proposed to be used are of the same description and model as those in the Newcastle and London coal trade, and are especially designed and constructed for the transportation of coal.

Substituting steam vessels in the place of sailing vessels in the coal trade of Nova Scotia, will as surely produce the same favorable results in that trade as have been realized by their introduction in the Newcastle and London coal trade. One screw steamer in that trade, with a crew of twenty-one men, performed in one season the work of sixteen sailing vessels of the class formerly in that trade, requiring one hundred and forty-four hands to man them.

This is a fair illustration of the extraordinary economical results produced by the application of steam as a moving power. Calling to our aid this great element of power, and applying it to the transportation of coal on sea and land, the cost of conveyance will be materially diminished; distance will be effaced and routes multiplied; the perils and irregularities of navigation reduced, new markets opened, and the coal trade of New Scotia established on a basis which tariffs and commercial limitations will scarcely reach or permanently impair.

The abundance and superior quality of Nova Scotia coal being well established, the principal question connected with the value of investments of capital in these coal mines and in railway and steam vessels connected

therewith, is the permanency and prosperity of this trade, and the amount of traffic that will be created thereby.

The measure of this business will be according to the demand for this coal in the market.

The continued prosperity of the coal trade of Nova Scotia will mainly depend on the facilities of reaching the markets of the United States and Canada, and the other British North-American Provinces. The continued demand for mineral fuel in those markets, with increased facilities of transportation, the South American and West India market will open a wide field for the sale of coal. The coal fields of Nova Scotia are well nigh inexhaustible, and are equal to any demand that can be made upon them.

In considering the question of consumption and demand for this coal, it is well to briefly refer to the coal trade of the United States.

The history of this trade, from its commencement in 1820 to the present time, is a subject of much interest and illustrates the rapid growth and increased demand of the American coal market. The amount of coal produced, and the amount imported for a particular market for a long term of years, may be regarded as a just criterion by which to judge of the consumption and requirements of that market.

In the year 1820 the American coal trade may be said to have commenced, and the amount of coal forwarded to market during that year was 365 tons. At that date the population of the United States was 9,638,191. From that date to the present time there has been a rapidly increasing demand, and the amount of coal reaching that market has gone up, from this small beginning in 1820, to 14,000,000 tons in 1860, to 16,000,000 tons in 1864, to

17,500,000 tons in 1865, and to 20,000,000 tons in 1866, showing an average annual increase of 434,557 tons for the long term of forty-six years. The population of the United States has increased, from 9,000,000 in 1820, to 23,000,000 in 1850, to 31,000,000 in 1860, and to 37,000,000 in 1866,

The question as to how far we can rely on the experience of the past in forming an opinion of the probable future consumption of coal in the United States, remains to be considered, and on a subject of so much importance we may be allowed to add some reflections as to the causes which are now and will continue to influence and increase the consumption of coal: In forming conclusions as to the future growth of this trade we must bear in mind that this is emphatically an age of iron and steam, and of progress in every element of wealth and power: that it is difficult to assign limits to the improvements and inventions, and to the operations of machinery, the extent of railways, of manufactures, and of commerce, which now penetrate with their civilizing influences regions and territories hitherto unoccupied and little known.

Steam is the moving power of this progressive age. Wherever mechanical operations of any description are performed, there will be found steam, and the simplest as well as the most complicated handy-craft work is essentially aided by machinery moved, in most cases, by steam-power. In manufacturing establishments, of the present day, labor consists chiefly in setting machines in motion and directing ~~their~~^{the} action.

It is the triumph of mind over matter, and the most astute mechanic will not venture to fix upon the limit to which human labor will be reduced in the different

branches of manufactures by the extraordinary inventions of this age, and the application and substitution of machinery. The application of steam power has led to the developement of mechanism. In no country in the world, except England, have useful and ingenious mechanical inventions and machinery been more extensively applied to manufactures, and to every branch of industry, than in the United States. Steam is usually the moving power, and it is coal that generates that power.

The rapid increase of population, manufactures and wealth of the United States, the unprecedented growth of towns and cities, the application of steam to every branch of industry, and to almost every avenue of transit—to the thousands of miles of inland navigation, to the immense commercial and naval marine of the United States, to her great system of railways, which is now assuming a continental character, reaching out its long iron arms, crossing the vast plains of the west and the rocky mountains, and soon to unite by an iron band the Atlantic and Pacific Oceans—a system of railways which covers every state with a net work of iron lines, and which already reaches in extent an aggregate of 40,000 miles, to which, if we add the second track, sidings, &c., would give sufficient linear extent of track to twice girdle the earth at the equator—A system of railways which precedes civilization in its rapid march across the great plains of the West, bringing into its embrace the vast mineral treasures of regions unknown a few years since, except to the adventurous trapper or the intrepid explorer.

For all these purposes there is an immense consumption of coal. These railways must sooner or later use coal as fuel, and already, owing to the scarcity and high price of wood, this fuel is made use of on the railways of

several of the States; and a resort to coal, at an early date, on most of these railways, is unavoidable.

On the great plains of the west there is no wood, and the only fuel that can there be used for steam purposes is coal. Very soon coal must be used as the principal fuel on the larger portion of the railways of the United States.

From statistics laid before the American Iron Association, by S. J. REESE, Esq., it appears that the average quantity of rails laid from 1845 to 1860, in the United States, was eighty-one tons to the mile, and that the quantity for laying and renewing the track was one hundred and eighteen tons per mile.

There were 4,511 miles of railroads in operation in the United States in 1845, and in 1860 there were 31,185 miles—showing an increase in this length of time of 26,674 miles. There are at the present time, as before stated, 40,000 miles of railroads in operation in the United States, which have been constructed at a cost of fifteen hundred millions of dollars, and this vast sum must continue to increase for many years, at a rate of about seventy-five millions of dollars annually.

Every mile of railway built calls for increased supply of iron for rails, for machinery, and for repairs and renewals. The iron for railways, and all other purposes, is produced by the consumption of a large amount of coal.

In the manufacture of iron, in the United States, experience has shown that from three to five tons of coal are consumed for each ton of pig iron manufactured. At works using bituminous coal, four tons of raw coal, to be first coked, is consumed in manufacturing one ton of pig iron, and 1.43 tons of pig iron is required to make one ton of rails. Two tons of coal are required to convert

the pig into rails. Therefore, the total quantity of coal consumed per ton of rails manufactured is seven and three-quarter tons. The amount of American rails manufactured, from 1850 to 1860, was 1,450,000 tons, and in their manufacture 11,000,000 tons of coal were consumed.

To supply this great extent of railways with machinery a large amount of iron is annually required. The number of locomotives manufactured in the United States in 1860 was 470, and the capital invested in these works \$3,482,592. The value of the engines made was \$4,866,900—equal to \$10,355 each.

There were 142,000 cast iron car wheels manufactured in 1860, valued at \$2,083,350, and the capital invested in this branch of manufactures is \$1,223,700.

Machinists' and millwrights' work, in 1850, produced machinery valued at \$27,998,344, and in 1860 the same branch of production was valued at \$46,644,586, showing an increase of \$18,646,132, or 66.6 per cent. Iron forging, in 1860, for shafting, for railway axles, for anchors, &c., &c., was valued at \$1,907,460.

The amount of rails manufactured in the United States at the present time is not less than 300,000 tons per annum, with an ultimate capacity, of the present mills, of double that quantity. The rails required for all the railroad companies of the United States, including the large amount required by the Government for military purposes for three years from June, 1861, to June, 1864, were supplied by American mills, excepting 206,000 tons imported during that period.

The production of pig iron, in Pennsylvania alone, according to returns of the Commissioner of Internal Revenue, is, in round numbers, 50,000 tons per month, or 600,000 tons per annum.

Of the following articles of iron manufacture, viz.: rails, re-rolled and new rails, band hoop and plate iron, bars and blooms, rivets, cut nails, heavy castings, hollow ware and stoves, and steel unwrought, the production for the year ending June 30th, 1864, was 1,001,851 tons, valued, including marine engines and other iron and steel manufactures, at \$179,311,738. The production of pig iron in the United States for the year ending June 1st, 1860, was 987,559 tons. In the manufacture of this large amount of pig, wrought and cast iron and steel, the consumption of coal was probably not less than 12,000,000 of tons, which must be largely increased from year to year, according to the rapid increase in the production of iron.

Among other causes of increased consumption and demand for coal in the United States is the large amount required for the manufacture of gas, for which purpose Nova Scotia coal takes precedence. There are at present four hundred and twenty gas works in the United States, having an aggregate capital of \$51,620,940. These works consume, probably, not less than 700,000 tons of coal annually.

The foregoing statistics show that there is annually an immense consumption of coal in the United States, and that the rapid increase of population, the increase of manufactures of every description, the great extent of railways and steam navigation, further show that the consumption of coal will in like manner increase and extend correspondingly, and will for all time to come make this a permanent and valuable market for the coal of Nova Scotia.

The coal market of Canada is regarded as only second to that of the United States for this coal.

With an enterprising population of four millions of inhabitants, with an extent of territory of about four hundred thousand square miles, possessing all the elements of national greatness, Canada assumes, under her new political relations, a most important position. Confederation will remove the shackles of Provincial tutelage and at once elevate the Provinces to the dignity and power of independent States.

Politically and commercially the people will think and act for themselves.

They will no longer occupy a dependent position, without that power and freedom of action and thought which inspires local patriotism and elevates a whole people to that consciousness of strength and self-reliance which alone can give them national character. Her legislation will be directed to those measures which will promote the general good, and firmly cement the union under one government. The resources of the whole country will be developed. Commerce and manufactures will receive a powerful impetus, and a wide field for commercial enterprise will be opened. Canada, with her two thousand miles of railways, her magnificent ship-canals and long line of internal steam navigation, is well prepared for this new era, and will rapidly increase in population and wealth, and receive those lasting benefits to which she is entitled through these advantages.

The commercial relations of Canada and Nova Scotia, united as they are under confederation, will be reciprocal, and these Provinces will, through their geographical position and natural resources, become the ruling States of the Dominion. The Inter-colonial Railway, which is the spinal column of the confederacy, will sustain and unite the Provinces in an indissoluble union, politically and

commercially, and will be the great medium of social intercourse and trade. Nova Scotia, through this and steam navigation, will be supplied with the breadstuffs of Canada: and Canada, in turn, will receive her supplies of coal from Nova Scotia, of which the former has none and the latter a superabundance. With the advantages of steam navigation and railway communication from Nova Scotia to all parts of Canada, a most valuable and extensive market will be opened for the coals of Nova Scotia, and the demand for mineral fuel will continue to increase as the population and trade of the Dominion increases.

With an almost inexhaustible supply of coal of the most superior quality for ~~any~~^{every} purpose, it only remains for this Company to avail themselves of the advantages of their position to realize large dividends, and attain a position which will place this valuable property on a basis insuring controlling influence and lasting success.

To do this it is only required to construct and equip twelve miles of railway, which will connect the mines with a most superior harbor, and extend the workings of the mines to such an extent as will keep the road in constant and profitable employment.

The charter authorizes the Company to transport passengers and all descriptions of freight, and to transact all other business necessary and usually performed on railways. Independent of the great coal traffic, the miscellaneous business of the railway will probably prove to be a considerable source of revenue.

The bonds of the Company, based on such an extensive and valuable property, will, it cannot be doubted, be regarded a first class security, and as such they afford a favorable opportunity for profitable and safe investment.

APPENDIX.

[A.]

ACTS

INCORPORATING THE INTERNATIONAL COAL AND RAILWAY
COMPANY OF CAPE BRETON, NOVA SCOTIA, AS THE SAME
HAVE BEEN AMENDED AND AS THEY ARE NOW IN FORCE.

[Acts of 1864, '65, '66, and '67.]

Be it Enacted by the Governor, Council, and Assembly, as follows:

1. John Jacob Astor, Jr., C. Godfrey Gunther, Henry Day, and George T. Adee, all of New York, their associates, successors, and assigns, are hereby constituted a body politic and corporate by the name of the International Coal and Railway Company, for the purpose of purchasing, holding, leasing, and selling mines and mining rights, and of opening and working the same in the county of Cape Breton, and transacting all business connected therewith, and for the purchase and sale of coals; for holding and conveying real estate, mills, and machinery; for manufacturing and selling coal oil, and boring and obtaining the same from the earth, and for other purposes connected therewith; for the constructing and operating railroad and branch roads; for the transportation of coal, coal oil, and other freights from the mines of this Company, or from other coal mines in the county of Cape Breton, to one or more places of transshipment, and for the

transporting of passengers and freight over such road or roads, and all other business necessary and usually performed on railroads; for constructing and holding such wharves, docks, and piers as may be necessary for the business of the Company.

2. The capital of the Company shall be one million of dollars, divided into twenty thousand shares, of fifty dollars each, which shall be personal property, and transferable only on the books of the Company. The Corporation shall have power to increase their capital stock by the issue of new shares by a vote of the majority of the stockholders in interest. Any Coal Company or other Corporation, either foreign or incorporated in this Province, may own and transfer any stock in the said Company. The said Corporation shall have power to borrow money by a vote of two-thirds of the Directors, for the purpose of operating its mines, building and equipping said railroad, and to issue bonds for the same, bearing interest at the rate of not more than six per cent. per annum, secured by a mortgage on all the property, real and personal, of the said Company, including mining rights, railroad, and rolling stock, to be put on the same, or portions of the said property. The said mortgage shall be executed in due form of law to pass real estate, and shall be recorded in the office of the Registrar of Deeds of the County of Cape Breton; and from the time of recording said mortgage it shall become a lien on said property mentioned in the same, precedent to all other subsequently acquired claims against the said Corporation. The interest and principal of said bonds may be made payable in Halifax, London, or New York. The said Company shall not go into operation until twenty-five per cent. of the capital stock is actually paid up.

3. The first meeting of the Company shall be held at such time and place in this Province, or in the United States of America, as any three of the Corporators shall determine, of which public notice shall be given in two of the Halifax newspapers, at least twenty days previous to such meeting, at which, or any subsequent meeting, the Company may be organized by the election of a Board of Directors, of not less than three nor more than nine, of whom three shall be a quorum.

4. No member of the Company shall be liable in his person or separate estate for the debts of the Company, to a greater amount than the stock held by him, deducting therefrom the amount actually paid to the Company on account of such stock, unless he shall have rendered himself liable for a greater sum by becoming surety for the debts of the Company; but no stockholder who may have transferred his interest in the stock of the Company, shall cease to be liable for any contracts of the Company entered into before the date of such transfer, unless he shall have paid up in full for his stock, so as any action in respect of such liability shall be brought within six months after such transfer.

5. The meetings of the Company shall be held at such place as the Directors may appoint, and at every annual meeting they shall elect a recognized manager or agent, resident in this Province, services on whom of all process, notices and other documents shall be held to be sufficient service on the Company, and the name and address of such agent shall be filed with the Registrar of Deeds of the County where the principal works of the Company are situate, and in case of the absence of such agent from the Province, or doubt of absence, service of process may

be made by affixing a copy upon some conspicuous building or office of the Company within the county where the property is located.

6. The Company, as soon as the same shall have been organized and the sum of twenty-five per cent. paid in on account of the stock taken, may proceed to construct rail roads.

7. The Corporation may open books for the subscription of stock, in one or more places out of the Province, as also books for transference, may appoint officers for the same, and paying of interest and dividends for the whole or any part of the stock, with agencies and branch offices for the purposes of their incorporation.

8. Whenever it shall be requisite, in the construction of any rail road contemplated by this Act, that this Company should be invested with the lands over which the same shall pass and contiguous thereto, for the tract of the road and for stations, and for the purpose of transshipment, and no agreement can be made for the purchase thereof, it shall be lawful for the Directors to apply, by petition, with a plan annexed, to any one of the Judges of the Supreme Court of this Province, setting forth the nature and situation of the lands required, the names of the owners or occupiers thereof, and praying a conveyance of the same to the Company. Whereupon, such Judge being satisfied that the lands are required, and are not more extensive than may be reasonably necessary, shall appoint a time and place for the consideration of such petition, and shall direct a proper notice, in writing, to be served upon the owners or occupiers of the lands, if in the Province, and to be published for the period of one month, in at least two newspapers published at Halifax.

and also one newspaper of the county where the lands lie, if there be any, requiring them to attend, at such time and place, personally or by attorney; and the Judge shall require the Directors to nominate one appraiser, and such owners to unite in naming another appraiser, and the Judge shall nominate a third appraiser. But, in case such owners do not attend, or shall refuse or neglect, or cannot agree to make such nomination, the Judge shall, on proof of such publication or service of such notice, nominate two appraisers, and the said Company shall nominate one appraiser, and the Judge shall, by an order in writing, direct the said three appraisers thus nominated to value the lands so required; and the appraisers having first subscribed an affidavit in writing, to be sworn to before a Justice of the Peace, and annexed to such order, to the effect that they will faithfully make such appraisement, shall, with all convenient speed, proceed to and appraise such land, and shall make such appraisement in writing, and return it under the hands of the appraisers, or a majority of them, with such order and affidavits, to a Judge, who may confirm, modify, alter, or reject such appraisement, or direct an appraisement *de novo*, and the Company, upon paying or tendering, the amount of the appraised value as finally confirmed, and the expenses of the owners on such appraisement to the owners, or, in case of dispute, to such parties as the Court or a Judge shall direct, and registering such order, affidavit, appraisement and confirmation, in the office of the Registrar of Deeds in the county in which the said lands lie, who is hereby required to register the same, shall be considered the owners of such lands.

9. The books and accounts of the Company shall at all

times be open to the examination of such persons as the Governor in council shall appoint to inspect the same.

10. The authority of said Compauy to build and operate a rail road as herein provided shall cease and determine, unless the said rail road shall be effectually commenced within one year after the first day of July, 1866. (See No. 14 and amendment 1867.)

11. A list of the Stockholders of the said Company, and of the number of shares held by each of them, on the first days of May and November, in each year, certified under the hand of the President and Secretary, shall be filed in the months of May and November, in each year, with the Registrar of Deeds, in the county where the principal works of the Company are situated. Such certificate to contain the names of the Stockholders, and the number of shares held by them, respectively, on the first day of the month in which such certificate is filed. And it shall not be necessary to file any other certificate of transfer, or copy thereof.

12. It shall be lawful for the Company to make or construct a railway over and across and roads in the line of the projected rail road, and over and across any rail roads or tram-roads and over any rivers, brooks, or streams, subject, nevertheless, in such cases, to regulations to be made by the Court of Sessions, to insure the safety of the inhabitants and their property.

13. The said Company may subscribe for, take, hold, and dispose of stock in any other incorporation organized or to be organized, for the purpose of constructing a railway from the mines of this Company, or from the vicinity of the same to any place or places of transhipment; the

said Company shall be authorized, through its officers or other agents, as the Board of Directors may appoint, to vote as a stockholder and to exercise all other powers of a stockholder in relation to the stock so held by them in such incorporation aforesaid. The said International Coal and Railway Company shall be authorized and empowered to issue its bonds secured by a mortgage on all or any of its property real or personal, or to lend its credit in any manner they may see fit, or to loan money to aid in the construction of such rail road as is last mentioned. The said Company shall be authorized and empowered to guarantee and secure the bonds of any such rail road company, issued for the purpose of building any such rail road as last aforesaid, by a pledge or mortgage of all or any of its property real or personal, or otherwise; any mortgage issued for the purpose mentioned in this section shall be recorded, and have the same effect in all respects as is mentioned in the amendment hereby made to section two of the original act.

14. The time limited for the commencement of the rail road is extended until the first day of January, one thousand eight hundred and seventy. [See amendment, 1867.]

15. The said Company shall have authority to make all such regulations and by-laws as they may deem proper for the management of their business and disposition of their property, not inconsistent with the laws of this Province.

AMENDMENTS.—1865.

1. The Company are hereby authorized to issue any portion of their capital stock in payment for mining rights

or property, real and personal, of any description, which may be deemed necessary for prosecution of its business, and the stock so issued shall be considered full paid stock. The Company are also authorized to purchase of the International Coal Company, an incorporation organized under the laws of the State of New York, in the United States, all or any portion of its property, real and personal, situate in the county of Cape Breton, and to issue all or any portion of the capital stock of the International Coal and Railway Company therefor, which stock so issued shall be considered full paid stock.

2. The International Coal and Railway Company are hereby authorized to hold and use all necessary wharves, piers and shipping places for the accomodation of such vessels.

3. The Board of Directors of the Company are hereby authorized to borrow funds for the development of its mines, and for the prosecution of its business, and to give their bonds therefor, either with or without a mortgage on their property or a portion of the same.

AMENDMENT.—1866.

1. All liabilities incurred by the International Coal Company shall be assumed by the International Coal and Railway Company, who shall be held liable therefor, as if they had been incurred by the latter Company: and nothing in this act or the acts of the last session of which this is an amendment, shall affect or be construed to affect or prejudice private rights.

AMENDMENT.—1867.

1. The time limited for commencing the rail road mentioned in previous acts, is extended until the first day of July, A. D. 1870.

MINES AND MINERALS.

CHAPTER 9.

AN ACT TO AMEND CHAPTER 25 OF THE REVISED STATUTES, "OF MINES AND MINERALS," AND THE ACT IN AMENDMENT THEREOF.

(Passed the 7th day of May, A. D. 1866.)

Be it enacted by the Governor, Council, and Assembly, as follows:

1. Lessees of coal mines in this Province, their executors, administrators, and assigns, holding leases from the Crown, or from the chief commissioner of mines, made since the first day of January, A. D. 1858, or hereafter to be made, shall, upon giving notice in writing to the chief commissioner of mines, at least six months previous to the expiration of such leases, respectively, of their intention to renew such leases, respectively for a further period of twenty years from the expiration thereof, be entitled to a renewal thereof for such extended term upon the same terms, conditions and covenants, as contained in the original lease, and in like manner upon giving a like notice before the expiration of such renewed term to a second renewal and extension of term of twenty years from and after the expiration of such renewal term, and in like manner upon giving like notice before the expiration of such second renewal term to a third renewal and extension of twenty years from and after the expiration of such second renewed term: provided that at the time of giving such notices, and the expiration of such terms, respectively, the said lessees, their executors, administrators, and assigns, are and shall continue to be bona fide,

working the areas comprised within their respective leases, and complying with the terms, covenants, and stipulations in their respective leases contained, within the true intent and meaning of section 104 of the Act hereby amended, and provided that in no case shall such renewal or renewals extend, or be construed to extend, to a period beyond sixty years from the twenty-fifth day of August, A. D. 1886, and provided also that the Legislature shall be at liberty to revise and alter the royalty imposed under such lease in or after the year 1886.

2. After the passage of this Act new leases in accordance with its provisions may be executed to all parties now holding leases which will expire in the year 1886.

3. The General Mining Association shall, at the end of their lease, be entitled to a renewal as respects each mine that shall then be worked by them, upon the same terms as apply to other lessees, but the renewed lease shall not include in respect of each mine worked a larger area than would be granted to other companies, so that all lessees of coal mines may, after the expiration of the Company's lease, stand on an equal footing as regards areas and otherwise.

[B.]

**EXTRACTS from the Report of Profs. J. P. Lesley
and B. S. Lyman, on the Coal Beds of Cape
Breton.**

After some general remarks on the Coal measure and the number of coal-beds of Cape Breton, they proceed to describe in detail, the principal coal seams.

§ 3. Thickness and quality of the principal coal-beds.

The HUB VEIN, where it appears in the cliffs at the landing place, under 40 feet of slates, consists of four members, in all eight feet thick; viz: top slate carbonaceous, eighteen inches; soft bituminous coal, eighteen inches; solid bituminous coal, four feet; hard bituminous coal, twelve inches.

Six feet may be considered the amount of good workable coal in the bed at this point. As the workings penetrated the land towards the west, the bed increased to nine and even ten feet, the uppermost member being commonly rejected in mining out the bed.

The coal is an excellent gas coal, and is exported to Boston and New York for use in the gas works.

The HARBOR VEIN, where it appears in the cliffs south of the harbor, at the mouth of Little Glace Bay, is five feet thick, where it crosses the head of the harbor; at the new bridge it shows a solid breast of six feet. At the Norris Bank, a mile further inland, and nearly half way round the head of the basin or synclinal, and at an elevation of 130 feet above sea level, it is feet thick. At the Cadigan, (or International) Mines, in the cliffs to the north, it runs about feet thick. It has a fine sweep

above sea level. Its coal is firmer and more portable than that of the Hub Vein, better for raising steam, and not so good for gas, but yet a good gas coal. It is a pure coal, with very little sulphur, little ash, and high caloric power. This is the principal bed of the International Tract, and increases to an average of nine and a maximum of eleven feet, (so reported—not verified) in the Block House Basin, where it is known as the Big Block House Seam, and yields the gas coal which has the highest reputation in the New York City Gas Works: being considered there, superior to any coal which has, as yet, come to them from the British Provinces. There seems to be no reason to doubt the identity of this Block House bed with the Harbor bed further north. The bed does not outcrop through the Clyde Tract, having been swept away in the general and gradual erosion of that part of the coast. Its outcrop is under the sea, about half a mile from shore at the nearest point.

The THREE-FOOT VEIN was worked for domestic use formerly, where it crosses Little Glace Brook half a mile above the new bridge: comes out upon the coast as a three foot bed, (at Boutellier's farm at the old mine, now destroyed by the waves) and after crossing the Great Glace Bay enters the Clyde cliffs as a four foot bed, divided into three members, the upper and lower of which are good coal. In its course across the Clyde Tract, there may be places where the bed will bear mining. But in its untried condition, it is properly rejected from the list of workable beds. What its condition may be beneath the highlands of the International back tracts is not known. In the Block House basin it is not recognised.

The BACKPIT BED, four feet thick, where it crosses

Little Glace Brook, yields very beautiful, rich, hard, pure coal, and is probably a workable bed where it comes out upon the coast with its outcrop covered by the sand and water of the raceway at the mouth of Great Glace Bay. But on the opposite side of the water, in the cliffs at the west end of the Clyde Tract, is a worthless bed only two feet thick; although, what coal it contains is good, and lies between two layers of clay, so that it could be easily mined. Whether it is restored to its natural size further in the Clyde Tract, is not known. In the Block House basin no account is taken of it.

The **PHELAN** is a noble bed of coal, sweeping through three tracts, the International, the Caledonia and the Clyde, with a great expanse and remarkable regularity. Its southern water level line, almost perfectly straight for more than two miles, and then taking a grand sweep northwestward and northward to the mouth of Lingan Bay is the greatest feature of the map. Where this line cuts the cliffs at each end of the Clyde Tract, the bed is seven and a half feet thick where it enters the north shore of Great Glace Bay, and where its outcrop crosses Little Glace Brook, the bed in one place happens to be exactly eight feet, and in the other eight feet two inches thick, (at the east end, impression is, that it is eight feet thick; but this is got from testimony, and was not verified.) How long it keeps this remarkably equable character in its course northward, we only know from one or two excellent openings in that direction. But at the old Mining Association's abandoned works at the far end, where the outcrop and water level come again together in the Bridgeport cliffs at Lingan Bay, the bed is reported to be only six or seven feet thick.

In the Block House Basin it is known as the McAulay bed ; it is also six feet thick, but five and a half and five feet advancing up the coast : on account of its extent and thickness and quality, it may be considered even there to be the principal feature of the Coal Measures, as it certainly is in all the country to the north between the Great Glace and the Lingan Bays.

In the quality of its coal, it resembles and is fully equal to the Hub Vein ; being a very fine gas coal ; pure in its benches ; solid, undivided by any slates, and sufficiently portable ; generally free from sulphur, and with little ash. Were there no other workable bed in the region, the superior quality and incredible quantity of fuel contained in this one bed, on shore, without working out to sea, would make the Province wealthy. This will be shown more in detail in the next section of this report.

The ROSS BED, with a still wider sweep than the Phelan bed has, and underlying nearly the whole of the International and Caledonia, and the whole of the Clyde and Block House Tracts—is a much smaller bed. On Glace Bay Brook it measures five feet four inches ; on Schooner Pond five feet six ; on Cow Bay four feet four inches, on the north side of the basin ; further on, at McRury's it is over three feet. But its coal seems to be of good quality everywhere, not so much as a gas coal, as for domestic and manufacturing uses. The bed has not yet been worked at more than two points in its extensive outcropping, and therefore may be found of a different quality elsewhere, in other words, it may vary as the Harbor Block House does. It is the only bed (with the exception of the one below it next to be mentioned) which passes Schooner Pond eastward, to cut through the North Head Promontory.

The LONG BEACH BED, (so called on Cow Bay, where it stands at 45 deg. south dip, and is three feet thick.) Almost everywhere outcrops outside the limits of these tracts, but of course underlies them all, and is very little understood. Beneath it are two thousand feet, and more, of barren measures, and therefore here the description ends.

**DESCRIPTION of the International Company's
Tract, its situation, quantity of Coal, &c.**

This consists of four claims, (A, B, C, D) two of which, (A, B) are each, half a mile wide, and two miles long, and abut against the sea; while the other two, (also nominally square mile claims) are of irregular shape, lying behind the former, along Cadigan's Brook, and wedged in between the Glace Bay Company's lands on the east, the Pepperill Tracts on the south, the Boston and Bridgeport Tract on the west, and the old Mining Association's Bridgeport land on the north, so that the claims A B are mined from the coast, or by a slope or shaft colliery near it, with a shipping place at the mouth of Cadigan's Brook; while the Back claims C D, must be mined by shafts in the neighborhood of the proposed rail road to Sydney.

The outcrops of the coal beds strike wide curves across these claims, as shown upon the map, from north and west to south and east, the highest land being between two and three hundred feet above sea level, giving above water a fine, broad breasting ground of coal.

The HARBOR BED (Cadigan's) underlies three-fourths of A and half of B, with a curve of outcrop 13,500 feet

(more than two and a half miles) long, and a curve of water level gangway, the chord of which is 9,500 feet.

The **PHELAN BED** underlies all of A, B, C; with an outcrop 9,000 feet long, but a water level gangway (800 feet from it) of only 2,500 feet, on account of the peculiar shape of the claim. But as this bed must be wrought by pit and not by entry, it does not so much matter.

The **ROSS BED** has an outcrop over 13,000 feet (nearly the entire length of the back claims C, D) and a nearly straight gangway water level of 11,000 feet, with an average breasting above it to the surface of 300 or 400 yards.

The following Statements will show the number of tons of Coal in the Harbor, Backpit, Phelan and Ross Beds on this property :—

I.—IN CLAIMS A. AND B.

				Tons.
Harbor Bed—Area,	4,263,333 sq. yds. (887 acres)	has	.	8,526,666
Backpit “ “	6,745,000 “ (1,393 “ “			8,970,850
Phelan “ “	6,745,000 “ (1,393 “ “			18,548,750
Ross “ “	6,745,000 “ (1,393 “ “			11,938,650
Total in claims A and B, . . .				<u>47,984,916</u>

2.—IN CLAIMS C AND D.

				Tons.
Backpit Bed—Area,	1,440 sq. yds. (397.4 acres)	has	.	2,980,554
Phelan “ “	2,190 “ (452.5 “ “			5,961,777
Ross “ “	4,447 “ (919. “ “			8,273,826
Total in claims C and D, . . .				<u>17,116,157</u>
Grand Total in claims A, B, C, D, .				<u>65,111,073</u>

STATEMENT OF NO. OF TONS OF COAL ABOVE SEA LEVEL.

1.—IN A AND B.

	Tons.
Harbor Bed—Area, 1,753,306 sq. yds. (362 acres) . . .	3,506,612
Backpit “ “ 92,500 “ (19 “	<u>122,975</u>
Tons above water level in A and B, . . .	<u>3,629,587</u>

2.—IN C AND D.

	Tons.
Backpit Bed—Area, 413,611 sq. yds. (85.5 acres) . . .	511,481
Phelan “ “ 912,100 “ (188.5 “	<u>2,482,938</u>
Ross “ “ 1,545,000 “ (311. “	<u>2,746,666</u>
Tons above water level in C and D, . . .	<u>5,781,085</u>
Total No. of Tons above water level, . . .	<u>9,410,662</u>

NOTE—The “Three Foot” and “Long Beach” Beds are not included.

[C.]

OFFICE MANHATTAN GASLIGHT COMPANY, }
 NEW YORK, August 30, 1865. }

To the Officers of the International Coal and Railway Co. ;

GENTLEMEN,

The result of the examination of an average sample of the coal from your mine, received per schooner "Margaret Ann," is as follows :

One ton (2,240 pounds) yielded 9,500 cubic feet of 17-0 candle gas, and 32 bushels of coke, weighing 1,480.

ANALYSIS OF THE COAL.

Volatile Matter,		38.6
Fixed Carbon,		57.1
Ash,		4.3
		100.0

Very respectfully,

J. A. SABBATON,

Engineer.

[D.]

PROVINCE OF NOVA SCOTIA.**International Coal and Railway Company.****FIRST MORTGAGE BOND.**

£200.

No.—

Know all men by these presents, that the INTERNATIONAL COAL AND RAILWAY COMPANY, a corporation organized under and in conformity to the laws of the Province of Nova Scotia, is indebted to the bearer hereof in the sum of Two Hundred Pounds sterling, lawful money of Great Britain, for money loaned for the construction and equipment of its road from Sydney, in the Island of Cape Briton, to the mines of the International Coal and Railway Company at Bridgeport, in the county of Cape Breton, including fourteen miles of railway; and in consideration of such indebtedness the said, the International Coal and Railway Company, duly authorized and empowered by the General Assembly of the Province of Nova Scotia, hereby promises and agrees to pay to the bearer hereof, on the first day of June, in the year one thousand eight hundred and eighty-seven, at the agency of said company in the city of London, England, the said sum of two hundred pounds sterling, with interest thereon at the rate of six per cent. per annum, payable at the agency of said company in the city of London, England, in semi-annual instalments, on the first days of June and December in each year, on presentation and delivery of the interest warrants or coupons hereto annexed; and in case

of the non-payment of any half-yearly instalment of interest which shall have become payable, and shall have been demanded, if such default shall continue for three months after the maturity of the said instalment, the principal of this bond shall become due in the manner and with the effect provided in the Deed of Trust or Mortgage hereinafter mentioned. This bond is one of a series consisting of six hundred and twenty-five bonds, each for two hundred pounds sterling, numbered consecutively from one to six hundred and twenty-five, inclusive, all dated the first day of April, in the year one thousand eight hundred and sixty-seven, and the payment of which is secured by the deed of trust or mortgage made by the said company to the Hon. Samuel Leonard Shannon, of Halifax, Nova Scotia, and the Honorable Thomas D. Archibald, of Sydney, Cape Breton, Nova Scotia, Trustees, conveying the railroad from Sydney, in the Island of Cape Breton, to Bridgeport, including fourteen miles of railway and its equipments and appurtenances, and the franchises and things therein described, together with all the docks, mines, and mining property of the said International Coal and Railway Company.

In witness whereof the said company has caused their corporate seal to be hereto affixed, and the same to be attested by the signatures of its President and Secretary, and the interest warrants to be signed by their Secretary this first day of April, in the year one thousand eight hundred and sixty-seven.

A. C. MORTON,

President.

.....
 Seal of the
 Company.

ALFRED MACKAY,

Secretary.

(FORM OF COUPON.)

£6.—The International Coal and Railway company will pay the bearer hereof at the agency of the said company in the city of London, England, six pounds sterling on the *first day of December, 1867*, being semi-annual interest due on that day on Bond No. 1.

ALFRED MACKAY.

Secretary.

(FORM OF ENDORSEMENT ON BOND.)

No. —

£200.

THE INTERNATIONAL COAL AND RAILWAY COMPANY OF
NOVA SCOTIA.

First Mortgage Six Per Cent. Bond.

This bond is one of six hundred and twenty-five named in a mortgage or deed of trust bearing even date made by the said International Coal and Railway Company, whereby its franchises, mines, mining property, railroad and equipments acquired and to be acquired are conveyed to us as trustees as security for the payment of all said bonds. And we further certify that this bond is issued in conformity to the condition of said mortgage.

S. L. SHANNON,

THOS. D. ARCHIBALD,

Trustees.

MORTGAGE.

THIS INDENTURE made this first day of April in the year of our Lord one thousand eight hundred and sixty-seven, by and between THE INTERNATIONAL COAL AND RAILWAY COMPANY, a corporation organized under and in conformity to the laws of the Province of Nova Scotia, of the first part, and the HONORABLE SAMUEL LEONARD SHANNON of the city of Halifax in the Province of Nova Scotia, and the HONORABLE THOMAS D. ARCHIBALD of North Sydney in the county of Cape Breton and Province aforesaid, trustees, parties of the second part. WHEREAS, the said the International Coal and Railway Company by an act of the General Assembly of the Province of Nova Scotia passed on the tenth day of May in the year of our Lord one thousand eight hundred and sixty-four, and by an act in amendment thereof passed on the eighth day of March in the year of our Lord one thousand eight hundred and sixty-five, were constituted a body politic by the said name of the International Coal and Railway Company, for the purpose of purchasing, holding, leasing, and selling mines and mining rights and of opening and working the same in the county of Cape Breton aforesaid, and transacting all business connected therewith and for the purchase and sale of coals, for holding and conveying real estate, mills and machinery, for manufacturing and selling coal oil and boring and obtaining the same from the earth and for other purposes connected therewith, for the constructing and operating rail road and branch roads, for the transportation of coal, coal oil and other freights from the mines of this Company or from any other coal mines in the county of Cape Breton to one or more places of transshipment, and for the trans-

porting of passengers and freight over such road or roads and all other business necessary and usually performed on rail roads, for constructing and holding such wharves, docks and piers as may be necessary for the business of the company. *And Whereas*, it is provided in the second section of said amended act in the words following, namely, "The capital of the company shall be one million of dollars, divided into twenty thousand shares of fifty dollars each, which shall be personal property and transferable only on the books of the company. The corporation shall have power to increase their capital stock by the issue of new shares by the vote of the majority of the stockholders in interest, any coal company or other corporation either foreign or incorporated in this Province may own and transfer any stock in the said company. The said corporation shall have power to borrow money by a vote of two-thirds of the Directors for the purpose of operating its mines, building and equipping said rail road, and to issue bonds for the same, bearing interest at the rate of not more than six per cent. per annum secured by a mortgage on all the property, real and personal, of the said company, including mining rights rail road and rolling stock to be put on the same or on portions of the said property. The said mortgage shall be executed in due form of law—to pass real estate and shall be recorded in the office of the Registrar of Deeds of the county of Cape Breton and from the time of recording said mortgage it shall become a lien on said property mentioned in the same precedent to all other subsequently acquired claims against the said corporation, the interest and principal of said bonds may be made payable in Halifax, London or New York."

And Whereas, at a meeting of the Directors of the said International Coal and Railway Company held on the twenty-fifth day of March last past, it was by a two-thirds vote of the said Directors, decided to borrow monies for the purpose of operating the said mine and building and equipping said rail road, under the provisions of the said act of incorporation, and the said party of the first part under said resolutions of the said Directors and for the purpose of raising funds for the construction and equipment of its rail road from Sydney in the Island of Cape Breton to Bridgeport in the said island of Cape Breton and Province aforesaid, has provided for the issue of its bonds in the sum of two hundred pounds sterling each, and in number not to exceed six hundred and twenty-five bearing date the first day of April in the year of our Lord one thousand eight hundred and sixty-seven together with interest thereon at the rate of six per cent. per annum, payable semi-annually according to the interest warrants attached to said bonds on the first days of June and December in each year until the said principal sums are paid, the same to be secured by a mortgage on all the real and personal estate, monies, mining rights, rail road and rolling stock of the said International Coal and Railway Company hereinafter mentioned.

Now therefore, in order to secure the payment of the principal and interest of said bonds to the various persons, bodies politic or corporate, who shall become holders of said bonds, and in consideration of one dollar lawful money of the Province of Nova Scotia to them paid, the International Coal and Railway Company, the party of the first herein, has granted, bargained, sold, aliened, enfeoffed, remised, released, conveyed, assigned, transferred and confirmed; and by these presents doth give, grant.

bargain, sell, alien, remise, release, assign, convey, transfer and confirm, unto the said Samuel Leonard Shannon and Thomas D. Archibald, the said parties of the second part, their survivors and survivor, and successor and successors, in the trust hereby created, all the railroad of the said International Coal and Railway Company, party of the first part, from Sydney aforesaid to Bridgeport aforesaid, both in the said County of Cape Breton and aforesaid Province of Nova Scotia, as the same may be constructed, builded or acquired, being in distance about fourteen miles, the width of the said road being one hundred feet, together with the real estate, lands, rights of way, depot, grounds, roadway, turnouts, rails, fences, bridges, stations, houses and other buildings, engine houses, machine shops, and all engines, rolling stock, also the lands, land covered with water, docks, wharves and piers, situate at the town of Sydney aforesaid, as the same are now or may be hereafter owned or constructed by said party of the first part, together with all and singular the rights, privileges and franchises of said party of the first part, appurtenances, or in anywise belonging to said railroad now existing or hereafter to be acquired. Also, all the mining property now owned by the said party of the first part, described as follows, that is to say:

FIRST—All that certain lease of mining rights made by the Queen's most Excellent Majesty to the said International Coal and Railway Company, bearing date the first day of April, in the year of our Lord one thousand eight hundred and sixty-seven, of the coal mines contained in the area of land described as follows, namely: Beginning at a point on the western line of Patrick Cadigan's Coal Lease, distant from the shore by said line three hundred feet: thence running south seven degrees,

west three hundred and sixty feet, to a stake marked as a corner; thence running south one degree, west one hundred and sixty chains; thence north eighty-nine degrees, west forty-two chains and thirty links; thence north one degree, east one hundred and twenty chains, or to a point distant twenty yards from the eastern line of the General Mining Association's Bridgeport Tract, thence north thirty-six degrees, east or parallel to said eastern line fifty-nine chains, more or less, to the sea-shore at Dead Man's Cove aforesaid; thence easterly by said shore to a point distant fifty yards from the northern corner bound of the lease to Patrick Cadigan aforesaid; thence south seven degrees, west parallel with the western line of said lease three hundred feet; thence south eighty-nine degrees, east fifty yards, or to the place of beginning, containing one square mile, more or less. Said coal area being situate at Dead Man's Cove, in the County of Cape Breton aforesaid.

SECONDLY—All that certain other lease of mining rights made by the Queen's most Excellent Majesty to the said International Coal and Railway Company, bearing date on the said first day of April, in the year of our Lord one thousand eight hundred and sixty-seven and being of coal mines situated at Bridgeport, in the said County of Cape Breton, and described as follows, that is to say: Beginning at an iron pin and stake at the Cliff Head, at the distance of fifteen feet westwardly from the northern corner of the Blacksmith's Forge on the southern side of Bridgeport Bay; thence running south five degrees, west ten chains and seventy links; thence south one degree, west one hundred and fifty chains; thence at right angles south eighty nine degrees, east forty chains; thence north one degree, east one hundred and fifty

chains; thence north five degrees, east ten chains, more or less, to the Cliff Head; thence westerly by the several courses of said Cliff forty chains, more or less, to the place of beginning, containing one square mile, more or less.

THIRDLY—ALL that certain other lease made by the Queen's Most Excellent Majesty to the said International Coal and Railway Company, bearing date the said first day of April, in the year of our Lord one thousand eight hundred and sixty-seven, of certain local mines situate between Bridgeport and Big Glace Bay Lake, in the county of Cape Breton, and Province aforesaid, described as follows: That is to say, commencing on the Northern shore of Big Glace Bay Lake, at the South Western angle of a coal tract held under the lease to J. H. Converse and others; thence North forty-one degrees West line of said coal lease, one hundred and fifty-five chains, or until it meets the South-west angle of a lease to the Rev, H. McLeod; thence South forty degrees West, along the South-eastern line of a lease to the said International Coal Company, fifty-four chains fifty links, or to the Southern angle of the lease last mentioned; thence South forty-seven degrees East, one hundred and fifty chains, or to the shore of Big Glace Bay Lake aforesaid; thence easterly by the shore of said Lake to the place of commencement, containing one square mile, more or less.

FOURTHLY—ALL that certain other lease made by the Queen's Most Excellent Majesty to the said International Coal and Railway Company, bearing date the said first day of April, in the year of our Lord one thousand eight hundred and sixty-seven, of certain coal mines situate between Bridgeport and Big Glace Bay Lake, in the county of Cape Breton and Province aforesaid, described

as follows: That is to say, commencing at the Southern angle of the General Mining Association's Bridgeport tract; thence South twenty-five degrees, West sixty-five chains, along the Eastern line of a square mile, licensed to Stephen H. Head; thence South thirty-five degrees, West thirteen chains; thence North forty-five degrees West (A. D. 1861), fifty-eight chains; thence South twenty-nine degrees, West forty chains; thence South forty-seven degrees, East seventy chains; thence North forty-three degrees, East (A. D. 1860) fifty-four chains and fifty links; thence by the Western line of said lease North, two degrees West (A. D. 1860), one hundred and twenty-seven chains to the Eastern line of the Bridgeport tract aforesaid; thence by the said Eastern line South, twenty-nine degrees West [A. D. 1860), sixty-six chains and sixty links, to the place of beginning, containing one square mile, more or less, reserving, however, in all the said areas a strip or margin running all round the several lots or areas, as in the said leases is particularly set forth.

FIFTHLY—The unexpired lease and leasehold property at Bridgeport aforesaid, containiag one hundred acres of land, being the entire farm of James Cadigan, leased by him to Hugh McLeod, on the twentieth day of August, in the year of our Lord one thousand eight hundred and sixty-four; and said lease assigned by said Hugh McLeod to the said International Coal and Railway Company on the seventh day of March, in the year of our Lord one thousand eight hundred and sixty-five.

Also, the following lot of land containing one hundred acres, more or less, situated at Bridgeport, in the township of Sydney, county of Cape Breton, fronting on the sea shore, and bounded North-westerly by the lands of

Michael Young, on a course South thirty-three degrees West, to lands of Dennis Cadigan; thence on a course North, twenty-five degrees East, to the North-east corner of the said Dennis Cadigan's land; thence on a course South, thirty degrees West, to the main road; thence along the road on a course South, fifteen degrees East, to lands of Hector McIntyre; thence by Hector McIntyre's southerly boundary North, thirty-three degrees East, to the shore aforesaid, and thence along the shore northerly to the place of beginning, being all that lot lying between the road Westerly and the shore Easterly, the lands of Michael Young and Dennis Cadigan Northerly, and Hector McIntyre Southerly.

Also, the following tract of land situate and lying and being at Bridgeport aforesaid, in the county aforesaid, and described as follows: That is to say, all that piece, parcel or lot of land beginning at the Northwest angle of land in possession of Dennis Whalan; thence Souththirty-four degrees, West forty-nine chains and fifty links, to a stake on general rear line; thence North fifty-six degrees, thirty minutes West, ten chains, more or less, to a stake; thence North thirty-three degrees East, or following the Eastern line of Hector McIntyre's land, fifty-five chains more or less, to the road leading from Glace Bay to Sydney; thence along said road South-easterly to the place of beginning, containing fifty acres, more or less; reserving thereout from and out of said last described lot, about half an acre of land belonging to Hugh McLeod, being at the North-west corner of said lot, fronting on the road aforesaid, and measuring two hundred and ten feet in front and rear, and one hundred and five feet in depth on each side.

Also, all that other lot of land beginning at a birch

tree being the northwest angle of land granted to the General Mining Association, thence south twelve degrees west fifty-six chains more or less to a stake, thence north seventy-eight degrees west at right angles to said line ten chains, thence north twelve degrees east or parallel to the western line of grant aforesaid sixty chains more or less to the general rear line of the front ranges of lots from Bridgeport (aforesaid) Bay, thence following the rear line aforesaid south fifty-six and one-half degrees east eleven chains and fifty links more or less to the place of commencement containing fifty acres more or less.

Also, all that certain piece, parcel, or tract of land being part of lot number thirteen on the eastern shore of Sydney river in the county of Cape Breton aforesaid and abutted and bounded as follows, that is to say, by a line commencing at high-water mark on the eastern shore of Sydney river aforesaid at the southwest corner or angle of lots numbers fourteen and fifteen owned by James Carline thence running easterly by the southern line of the lands of the said James Carline twelve hundred and fifty feet thence south fifteen degrees west six hundred and sixty feet to a stake at the northern line of lands owned by John Muggah, thence westerly by the northern line of lands of the said John Muggah three hundred feet thence northerly nearly parallel with the located line of railway three hundred and thirty feet, thence westerly parallel with the southern line of lands of the said James Carline nine hundred and thirty feet more or less to the shore of Sydney river, and thence northerly by the various windings of the shore of Sydney river aforesaid to the place of beginning, bounded on the north by the lands of the said James Carline, on the east by the remainder of the lands of the said John Lorway on the south by the

lands of the said John Muggah and the lands of the said John Lorway and on the west by the waters of Sydney River aforesaid.

Also, all that certain piece, parcel or lot of land situate lying and being on the eastern shore of Sydney river in the county of Cape Breton aforesaid, and abutted and bounded as follows, that is to say, bounded by a line commencing at high water mark on the eastern shore of Sydney river aforesaid at the northwest angle or corner of lots numbers fourteen and fifteen owned by James Carline, thence running easterly by the northern line of the lands of the said James Carline twelve hundred and fifty feet, thence north fifteen degrees east to the southern line of lands owned by Robert Belloni, Esq., eight hundred and fifty-eight feet, thence westerly by the southern line of lands of the said Robert Belloni twelve hundred feet more or less, to the shore of Sydney river aforesaid, thence southerly by the various windings of the shore of Sydney river to the place of beginning, the said lot being bounded on the south by the lands of the said James Carline, on the east by the remainder of the lands of the heirs of Aime Gibbons, deceased, on the north by the lands of the said Robert Belloni, and on the west by the waters of Sydney Harbor aforesaid.

Also, all that certain piece, parcel, or lot of land situate, lying and being on the Eastern shore of Sydney River, in the county of Cape Breton and Province of Nova Scotia aforesaid, being part of lots, numbers fourteen and fifteen, and abutted and bounded as follows: That is to say, bounded by a line commencing at high water mark on the Eastern shore of Sydney River, at the North-west corner of lot number thirteen, owned by John Lorway; thence running Easterly by the Northern line of the lands of the

said John Lorway, twelve hundred and fifty feet ; thence North, fifteen degrees East, to the Southern line of lands owned by the heirs of the late Richard Gibbons, Esquire, deceased, six hundred and sixty feet, more or less ; thence Westerly by the Southern line of lands of the said heirs of the said Richard Gibbons, twelve hundred and fifty feet, more or less, to the shore of Sydney harbor, and thence southerly by the various windings of the shore of Sydney river or harbor aforesaid, to the place of beginning, the said lot hereby conveyed being bounded on the south by the lands of John Lorway ; on the east by the remainder of the lands of the said James Carline ; on the north by the lands of the heirs of Richard Gibbons, deceased ; on the west by the waters of Sydney harbor or Spanish river.

Also, all that certain piece, parcel or lot of land situate, lying and being in the eastern shore of Sydney river, in the county of Cape Breton aforesaid, and bounded as follows : That is to say, by a line commencing at high water mark on the eastern shore of Sydney river aforesaid ; at the north-west corner of lot number eighteen, owned by Robert Belloni, Esq. ; thence running easterly by the northern line of the lands of the said Robert Belloni twelve hundred and forty feet ; thence north fifteen degrees east, eleven hundred and twenty-two feet, more or less, to the southern line of lands in the possession of John McLennan ; thence westerly by the said southern line of the lands of the said John McLennan, one thousand and thirty feet, more or less, to the shore of Sydney river aforesaid ; thence southerly by the various windings of the shore of Sydney river aforesaid to the place of beginning ; bounded on the south by the lands of the said Robert Belloni, on the east by the remainder of the lands of

the said John Loughman: on the north by the lands of the said John McLennan, and on the west by the waters of Sydney river aforesaid, together with all and singular the estate and interest of the said International Coal and Railway Company of and in the said in part recited leases and lands and premises, and every part and parcel thereof, with their, and every of their privileges, as well of digging, mining, winning and taken coal. and all other rights, privileges, members, appurtenances to the said leased premises and lands and railway and premises belonging and appertaining, together with the said indentures of lease, and all benefits and advantages to be derived therefrom.

To have and to hold the said premises, lands, leasehold rights, railway property and railway and other the rights, property and premises hereby granted, or intended to be granted and transferred unto the said Samuel Leonard Shannon and Thomas D. Archibald, their survivors and survivor and successor for ever, but subject to the conditions in said leases contained for the uses and purposes and upon the trusts, terms and conditions in this indenture expressed, that is to say: That if the interest on any of the bonds so to be issued, shall not be paid by the said International Coal and Railway Company, party of the first part, when the same shall become due, and if such interest shall remain in arrear for three months, or in case principal of said bonds, or any of them, shall not be paid at their maturity, then it shall be lawful for the said parties of the second part and the survivor and successor or successors of them in the trust to take possession of all and singular the said premises, property and franchises so conveyed, and upon the written request of the holders of at least one-third of the said bonds issued hereunder, and then outstanding, shall cause the said premises, real and

personal estate, railway, rights and franchises, to be sold in the city of Halifax in the Province of Nova Scotia, giving at least twelve weeks notice of said sale, by publishing the same in at least one daily newspaper in the city of Halifax, and wherever else required by law, and on such sale to make, execute, and deliver to the purchaser or purchasers thereof, a good and sufficient deed of conveyance in fee simple for the same, or such other conveyance or conveyances or transfers as shall be sufficient to transfer and convey all the interest of the said International Coal and Railway Company in the same to the purchaser or purchasers thereof, which shall be a bar against the said party of the first part, the said International Coal and Railway Company, its successors and assigns, and all persons claiming under it or them, of all rights, interests or claims of, in, or to the same premises, rights and franchises or any part thereof.

The amount of the bid or purchase money of said sale may be paid and satisfied in whole or in part by the outstanding mortgage bonds, or any of them issued hereunder, and the same shall be taken and received in whole or in part payment and satisfaction by the parties of the second part, the survivor, survivors or successors of them or of either of them, according to their value to be ascertained and determined by the net amount arising from such sale as compared to the amount of outstanding unconverted bonds issued hereunder as aforesaid. And the parties of the second part shall after deducting from the proceeds of such sale the costs and expenses thereof, apply so much of the proceeds as may be necessary to the payment of the said principal and interest due and unpaid on the residue of said outstanding mortgage bonds issued hereunder not used in the payment of said bid as

aforesaid, and should the proceeds be insufficient to pay the whole of the said outstanding mortgage bonds, then apply the same towards payment thereof rateably and in equal proportion, and after full payment shall be made of the principal and interest of the said bonds, shall pay over the remainder of said proceeds to the party of the first part its successor or successors or assigns. And the said party of the first part covenants and agrees to execute and deliver hereafter and from time to time all further reasonable and necessary conveyances to more effectually carry out the intention of these presents, and particularly for the conveyance of all lands, depot-grounds, rights of way, and other such property as may be hereafter acquired by the party of the first part. This trust and the security hereby intended extends to such mortgage bonds only as shall be countersigned by said Trustees, and when all said bonds shall be satisfied and discharged, the trust herein created shall cease, and upon the payment of said bonds issued hereunder principal and interest, or upon the delivery of the said bonds and unpaid coupons to said Trustees for cancelment, the estate hereby granted to the parties of the second part shall be void, and the right to the premises hereby conveyed shall revert to and revest in the said Company without any acknowledgement of satisfaction, re-conveyance, re-entry or other act, and the said Trustees shall thereupon at the request of the parties of the first part certify to the Registrar of Deeds of said county of Cape Breton that said bonds are paid and said mortgage is discharged. It is also agreed that the amount of bonds hereunder issued shall not exceed in the aggregate the sum of one hundred and twenty-five thousand pounds sterling. And the said International Coal and Railway Company further cove-

nants and agrees that the said premises and property and every part thereof are not subject to any mortgage judgment or incumbrance whatsoever. And that they will after the completion and commencement of business on said railway, reserve annually from the earnings thereof an amount which shall constitute a sinking fund which shall be adequate with accruing interest thereon to the extinguishment of all the bonds issued by the said Company at or before the time said bonds shall mature which amount so required and reserved for such sinking fund shall not be used by the Company for any business purpose, but shall be invested from time to time in the purchase of the bonds of the Company, or in such securities as the said Trustees, parties hereto of the second part may approve. And further that the said parties of the first part for themselves their successors and assigns, the said hereby granted property and premises and every part thereof with the appurtenances unto the said parties of the second part their successors and successor shall and by these presents will forever warrant and defend against the lawful claims of all and every person or persons whomsoever. And it is also mutually agreed that the said parties of the second part and their successors in said trust shall only be accountable for not using reasonable diligence in the management thereof, and shall not be responsible for the risk of any agent employed by them or either of them. And that the said parties of the second part and their successors in said trust shall be entitled to receive proper compensation for every labor or service performed by them in the discharge of their trust in case they shall be compelled to take possession of said premises or any part thereof as hereinbefore mentioned.

And that neither of the said Trustees shall in any manner be liable or responsible for any act or acts of his co-trustees to which he does not assent. And in case of the death, mental incapacity or resignation of said parties of the second part, or in case of a vacancy in said trust from any cause, it shall be competent for the surviving Trustee and said Company within sixty days to agree upon and appoint another person to fill the vacancy so made, and in case of any disagreement or failure to make such appointment, then it shall be competent for the Chief Justice of Nova Scotia for the time being to appoint some person to fill such vacancy and act as such co-trustee. And in either case whether the appointment is made by the joint action of the two parties or by the separate action of the Chief Justice as above mentioned, the appointment shall be endorsed and made upon the mortgage and recorded in the Registry of the county of Cape Breton, and thereupon, and upon its being notified to the Company, if made by the said Chief Justice, and upon the written acceptance of the trust by the newly appointed Trustee, he shall be vested with all the powers and clothed with all the duties of Trustee as if he had been named in this instrument as Trustee. And until such appointment shall be made all the powers and duties of the Trustees may be executed and discharged and all the rights of the Trustees held and enjoyed by the surviving Trustee as fully as if he had alone been named in and had assented to and had executed this instrument.

In testimony whereof, the said International Coal and Railway Company has, by order of its Board of Directors, hereto affixed its corporate seal and signed the same by its President and Secretary, and the said Trustees have

hereto set their hands and seals the day and year first above written.

The International Coal and Railway Co., by

A. C. MORTON,

President.

.....
Seal of the
Company.
.....

ALFRED MACKAY,

Secretary.

Signed, sealed and delivered }
in presence of }

N. S. MACKAY,
JAMES P. WARD.

L. G. POWERS,
J. S. FAIRBANKS. }

S. L. SHANNON, [Seal].

JAMES P. WARD,
W. PURVIS. }

T. D. ARCHIBALD, [Seal].

OFFICE OF THE REGISTRY OF DEEDS, }
SYDNEY CO., OF CAPE BRETON, }

10th of June, 1867.

I hereby certify that at ten o'clock, forenoon this day, a mortgage in trust, from the International Coal and Railway Company to the Honorables S. L. Shannon and T. D. Archibald, of all their lands on Sydney Harbor and at Bridgeport, and of their four Mining Leases at the last named place, was entered on record pursuant to law.

And I hereby further certify that the several properties therein specified are free and unencumbered, as appears by the records of this office.

JAMES P. WARD,

Registrar of Deeds.

County of Cape Breton.

[E.]

WE, the Honorable EDMUND M. DODD, Judge of the Supreme Court, the Honorable JOHN BOURINOT, Senator of the Dominion of Canada and Consul for France, JAMES P. WARD, Esquire, Estate Agent and Land Broker, and DONALD N. MAC QUEEN, Esquire, Barrister and Notary Public, have resided here for more than thirty years, and JOHN BLACKIE, Esquire, Civil and Mining Engineer, who has resided here during the last past five years.

We know the INTERNATIONAL COAL AND RAILWAY COMPANY, a Corporation lately organized under the laws of Nova Scotia, and have no hesitation in saying that it is a highly influential Company, comprising some of the most respectable and most influential citizens of New York, as well as of this country.

We are well acquainted with the property of said Company, all situated in this neighborhood, and have no difficulty in certifying that we consider it the most valuable property of the kind in these Provinces, with the exception of that held by the General Mining Association of London. It embraces four square miles of coal area, containing^{approximately} to the calculations of Professor LESLEY, and other eminent scientific men, upwards of sixty-five millions tons of coal of unsurpassed excellence. It also embraces nearly four square miles of farm and timber lands. A railroad from the coal field, for the outlet of the coal to Sydney Harbor—one of the best shipping places in North America—a distance of about twelve miles, would make the said property of immense value, and would be the means of building up an unlimited coal business with South America, West Indies, Cuba, United States, and especially with the Confederated Provinces of

British America now happily formed into one Dominion, in all of which the article is so much needed and so much prized.

We have no interest whatever in the Company or in its property, and therefore have less hesitation in giving this expression of our opinion. We give it in good faith, believing what we have stated to be the truth.

Given at Sydney, Cape Breton, this fourteenth day of June, in the year of our Lord, one thousand eight hundred and sixty-seven.

EDMUND M. DODD,

*Judge of the Supreme Court of the Province of
Nova Scotia.*

J. BOURINOT,

Senator.

JAMES P. WARD,

Insurance Broker and Real Estate Agent.

D. N. MAC QUEEN,

Barrister at Law and Notary Public.

JOHN BLACKIE,

Civil and Mining Engineer.

[E.]

We, John Blackie and Hugh R. MacKenzie, civil and mining engineers are well acquainted with the coal fields of Cape Breton, and especially with the property of the International Coal and Railway Company, having had occasion from time to time to examine it minutely.

The Coal Areas of the aforesaid Company embrace four square miles. It has been ascertained already by actual survey, that these areas contain 65,111,650 of tons of very superior coal of different kinds, suited for gas, steam, forge and domestic purposes. Outside and underlying the above areas, other seams have lately been discovered, which will greatly increase the quantity.

The farm and timber lands owned by the Company contain four square miles nearly, besides the Railway location from Bridgeport to Sydney, a distance of 12 miles, with valuable harbor lands and water frontage at Sydney, amounting to more than 200 acres, and adapted for extension wharves, docks and piers for an annual shipment of one or two millions of tons of coals and other operations.

The value of those properties, judging by the ordinary rules of computation we consider immense. In this country, and we believe in several other countries the ordinary value of coal in the mine is calculated at 25 cents per ton, thus when any one takes a sub-lease of a coal area he usually stipulates to pay 25 cents for every ton he raises, besides paying all the expense of every kind attending the work. Now to apply this rule in the present case, the value of the coal already ascertained, will amount to \$16,277,915, or to be within the mark, and to meet the views of the most moderate, suppose it to be worth 20

cents per ton only, instead of 25 cents; in that case, the value will amount to \$13,022,330.

The value of the land, of the harbor, of the road when completed, and all the privileges connected therewith, must rise in proportion to the work done, and must be very considerable. In ordinary cases, land in the neighborhood of mines and other public works, is usually very high, sometimes here as high as from \$400 to \$600 per acre. Of the harbor, railway, rolling stock and other plant we need not speak, but under all the circumstances knowing the amount of business likely to be done, we cannot value them including the land, at less than \$2,000,000 which added to the above sum of \$13,022,330 (the lowest value in the mine) makes \$15,022,330, being upwards of £3,000,000 sterling, which we do not consider at all extravagant, but in reality considerably within the mark. Guided in our calculations by the ordinary price of labor in the country and other ordinary outlays, we believe that when the harbor and railway are completed, and the works are in vigorous operation, coal from the above areas can be shipped at Sydney for about \$1.25 per ton, including all expenses. We further believe that considering the superior quality of the coal and its adaptation to the various purposes for which coal is now used, the demand for the article in this Hemisphere will be immense. We also believe that under ordinary circumstances, a profit of at least \$1.20 per ton will be realized. We have only to add that we have no interest whatever in the Company, or in its property. But being asked to give a bona fide expression of our opinion from personal knowledge of the locality, its resources and value; we have done so, without any bias or exaggeration, to the

best of our judgment, for the information of all whom it may concern.

Given at Sydney, Cape Breton, this seventeenth day of June, one thousand eight hundred and sixty-seven, by

JOHN BLACKIE,
H. R. MACKENZIE.

Referring to our statement of this date relative to the property of the International Coal and Railway Company, we beg to add, in the way of explanation, in order to prevent misapprehension, that an outlay of about one hundred and twenty-five thousand pounds (£125,000) sterling must be made to complete the railway, harbor, and other extensive improvements connected with the work, which being done, the prosperity and success of the enterprise will be finally established. We further beg to add that our estimate of the value of the property is based on the following and other grounds, viz: 1st. The ordinary price at which such articles are sold. 2d. The immense quantity of coal already ascertained to lie in the areas of this company. 3d. The superior character of the coal; and the necessity and increasing demand for the article in the United States, in the Dominion of Canada, in Newfoundland, in Cuba, in the West Indies, in South America, and other countries of this side of the Atlantic, and 4th. The annual increase in the consumption of coal in these countries is about twenty per cent, and under all the circumstances we have reason to believe that the said com-

pany can supply the article from their areas cheaper and better than any other company now existing here ~~by~~

Given at Sydney, Cape Breton, this seventeenth day of June, one thousand eight hundred and sixty-seven, by

JOHN BLACKIE.

H. R. MACKENZIE.

The following letters, from John H. Adam, Esq., President of the New York Gas Light Company, and General Charles Roome, President of the Manhattan Gas Light Company, New York, will show the value placed upon the coal of the International Coal and Railway Company, by these Companies, which are the largest consumers of coal for this purpose in the United States.

OFFICE OF THE NEW YORK GAS LIGHT CO.,
New York, August 19th, 1864.

Gen. WM. K. STRONG,

President:

I am pleased to be able to say that we have used several hundred tons of your coal this season; and that the quality is in every respect satisfactory. For Gas making purposes it is superior to most of the Coal offered in this market, and is equal to the best imported from Cape Breton. Its comparative freedom from sulphur makes it a very desirable coal for use by parties who are obliged to purify with stone lime.

Respectfully yours,

JOHN H. ADAM,

President.

OFFICE OF THE "MANHATTAN GAS LIGHT" CO.
New York, July 16th, 1867.

A. C. MORTON, Esq.,

President International Coal and Railway Co.:

Dear Sir,

Having carbonized several thousand tons of your Coal both last season and this, we can bear testimony to its

excellent quality. It produces more Gas than the coals from Newcastle, and the gas is of higher illuminating power. The Coke too is excellent, and makes a good fire with but little clinker.

I am dear sir, yours very truly,

CHARLES ROOME,
President "Manhattan Gas Light" Co.

